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[DISCUSSION DRAFT]
August 13, 1987

100th Congress 1st Session

H. R. \_\_\_\_

### IN THE HOUSE OF REPRESENTATIVES

Mr. BERMAN (for himself and Mr. Fascell) introduced the following bill; which was referred to the Committee on

#### A BILL

To prohibit exports of military equipment to countries supporting international terrorism, and for other purposes.

- Be it enacted by the Senate and House of Representatives
- 2 of the United States of America in Congress assembled,

1	SECTION 1. SHORT TITLE.
2	This Act may be cited as the `Antiterrorism and Arms
3	Export Amendments Act of 1987'.
4	SEC. 2. PROHIBITION ON ARMS TRANSACTIONS WITH COUNTRIES
5	SUPPORTING TERRORISM.
6	(a) PROHIBITION Section 40 of the Arms Export Control
7	Act (22 U.S.C. 2780) is amended to read as follows:
8	`SEC. 40. TRANSACTIONS WITH COUNTRIES SUPPORTING ACTS OF
9	INTERNATIONAL TERRORISM.
10	"(a) PROHIBITED TRANSACTIONS
11	``(1) UNITED STATES GOVERNMENTThe following
12	transactions by the United States Government are
13	prohibited with respect to any country described in
14	<pre>subsection (b):</pre>
15	``(A) Exporting or otherwise providing (by sale,
16	lease or loan, grant, or other means), directly or
17	indirectly, any munitions item to such country under
18	the authority of this Act, the Foreign Assistance Act
19	of 1961, or any other law. In implementing this
20	subparagraph, the United States Government shall
21	suspend delivery to such country of any such item
22	pursuant to any such transaction which has not been
23	completed at the time the Secretary of State makes
24	the determination described in subsection (b), and
25	shall terminate any lease or loan to such country of

3

any such item which is in effect at the time the 1 Secretary of State made that determination. 2 ``(B) Providing credits, guarantees, or other 3 financial assistance under the authority of this Act, the Foreign Assistance Act of 1961, or any other law, 5 with respect to the acquisition of any munitions item 6 by such country. In implementing this subparagraph, 7 the United States Government shall suspend 8 expenditures pursuant to any such assistance 9 10 obligated before the Secretary of State made the determination described in subsection (b). 11 `(C) Consenting under section 3(a) of this Act, 12 13 under section 505(a) of the Foreign Assistance Act of 1961, under the regulations issued to carry out 14 section 38 of this Act, or under any other law, to 15 16 any transfer of any munitions item to such country. 17 In implementing this subparagraph, the United States Government shall withdraw any such consent which is 18 in effect at the time the Secretary of State makes 19 the determination described in subsection (b). 20 ``(D) Providing any license or other approval 21 22 under section 38 of this Act for any export or other transfer (including by means of a technical 23 assistance agreement, manufacturing licensing 24 25 agreement, or coproduction agreement) of any

1	munitions item to such country. In implementing this
2	subparagraph, the United States Government shall
3	suspend any such license or other approval which is
4	in effect at the time the Secretary of State makes
5	the determination described in subsection (b).
6	``(E) Otherwise participating directly or
7	indirectly in, or take any action to facilitate, the
8	acquisition of any munitions item by such country.
9	This subparagraph applies with respect to activities
10	of any department, agency, or other instrumentality
11	of the Government, any officer or employee of the
12	Government (including members of the United States
13	Armed Forces), and any person acting at the request
14	or on behalf of the Government.
15	``(2) UNITED STATES PERSONSA United States person
16	may not intentionally
17	``(A) export or otherwise provide directly or
18	indirectly (by sale, lease or loan, grant, or any
19	other means) any munitions item to any country
20	described in subsection (b) or to any person or
21	entity which that United States person has reason to
22	believe will provide such item to any such country;
23	or
24	``(B) otherwise participate directly or
25	indirectly in, or take any action to facilitate, the

1	acquisition of any munitions item by any country
2	described in subsection (b) or by any person or
3	entity which that United States person has reason to
4	believe will provide such item to any such country.
5	This paragraph applies with respect to actions taken by a
6	United States person either within or outside the United
7	States.
8	``(b) COUNTRIES COVERED BY PROHIBITIONThe prohibitions
9	contained in subsection (a) apply with respect to any country
10	whose government the Secretary of State determines
11	``(1) grants sanctuary from prosecution to any
12	individual or group which has committed an act of
13	international terrorism; or
14	``(2) has repeatedly provided support for acts of
15	international terrorism.
16	``(c) PUBLICATION OF DETERMINATIONSEach determination
17	of the Secretary of State under subsection (b) shall be
18	published in the Federal Register.
19	``(d) RESCISSIONA determination made by the Secretary
20	of State under subsection (b) may not be rescinded unless the
21	President, at least 90 days before the proposed rescission
22	would take effect, submits to the Speaker of the House of
23	Representatives and the chairman of the Committee on Foreign
24	Relations of the Senate a report justifying the rescission
25	and certifying that

1	(1) the government concerned has not provided any
2	support for international terrorism, including support or
3	sanctuary for any major terrorist or terrorist group,
4	during the preceding 6-month period; and
5	``(2) the government concerned has provided
6	assurances that it will not support acts of international
7	terrorism in the future.
8	``(e) WAIVERThe President may waive the prohibition
9	contained in subsection (a) with respect to a specific
10	transaction if
11	``(1) the President determines that the transaction
12	is vital to the national security interests of the United
13	States; and
14	``(2) not less than 15 days prior to the proposed
15	transaction, the President
16	``(A) consults with the Committee on Foreign
17	Affairs of the House of Representatives and the
18	Committee on Foreign Relations of the Senate; and
19	``(B) submits to the Speaker of the House of
20	Representatives and the chairman of the Committee on
21	Foreign Relations of the Senate a report containing
22	``(i) the name of any country involved in the
23	proposed transaction, the identity of any
24	recipient of the items to be provided pursuant to
25	the proposed transaction, and the anticipated use

1	of those items;
2	``(ii) a description of the munitions items
3	involved in the proposed transaction (including
4	their market value) and the actual sale price at
5	each step in the transaction (or if the items are
6	transferred by other than sale, the manner in
7	<pre>which they will be provided);</pre>
8	``(iii) the reasons why the proposed
9	transaction is vital to the national security
10	interests of the United States and the
11	justification for such proposed transaction;
12	``(iv) the date on which the proposed
13	transaction is expected to occur; and
14	``(v) the name of every United States
15	Government department, agency, or other entity
16	involved in the proposed transaction, every
17	foreign government involved in the proposed
18	transaction, and every private party with
19	significant participation in the proposed
20	transaction.
21	To the extent possible, the information specified in
22	subparagraph (B) of paragraph (2) shall be provided in
23	unclassified form, with any classified information provided
24	in an addendum to the report.
25	``(f) Exemption for Certain Reported Activitiesthe

- l prohibitions contained in subsection (a) do not apply with
- 2 respect to a transfer for which notification is given in
- 3 accordance with section 36(e) of this Act.
- 4 ''(g) RELATION TO OTHER LAWS.--The provisions of this
- 5 section shall apply notwithstanding section 614(a) of the
- 6 Foreign Assistance Act of 1961 (22 U.S.C. 2364(a)) or any
- 7 other provision of law.
- 8 ``(h) CRIMINAL PENALTY.--Any person who willfully
- 9 violates this section shall be fined for each violation not
- 10 more than \$1,000,000, imprisoned not more than 10 years, or
- 11 both.
- '(i) CIVIL PENALTIES; ENFORCEMENT. -- In the enforcement
- 13 of this section, the President is authorized to exercise the
- 14 same powers concerning violations and enforcement which are
- 15 conferred upon departments, agencies, and officials by
- 16 sections 11(c), 11(e), 11(g), and 12(a) of the Export
- 17 Administration Act of 1979 (subject to the same terms and
- 18 conditions as are applicable to such powers under that Act),
- 19 except that, notwithstanding section ll(c) of that Act, the
- 20 civil penalty for each violation of this section may not
- 21 exceed \$500,000.
- 22 ``(j) DEFINITIONS.--As used in this section--
- 23 ``(1) the term `munitions item `means any item which,
- 24 if imported into or exported from the United States,
- 25 would be on the United States Munitons List; and

1	``(2) the term `United States person means any
2	United States resident or national (other than an
3	individual resident outside the United States and
4	employed by other than a United States person), any
5	domestic concern (including any permanent domestic
6	establishment of any foreign concern) and any foreign
7	subsidiary or affiliate (including any permanent foreign
8	establishment) of any domestic concern which is
9	controlled in fact by such domestic concern, as
10	determined under regulations of the President
11	(b) CONFORMING AMENDMENT Section 3(f) of the Arms
12	Export Control Act (22 U.S.C. 2753(f)) is repealed.
13	SEC. 3. CONSIDERATIONS IN ISSUANCE OF ARMS EXPORT LICENSES
14	AND IN ARMS SALES.
15	(a) EXPORT LICENSES Section 38(a)(2) of the Arms Export
16	Control Act (22 U.S.C. 2778) is amended by inserting
17	`support international terrorism, 'after `arms race, '.
18	(b) ARMS SALESSection 36(b)(1)(D) of that Act (22
19	U.S.C. 2776(b)(1)(D)) is amended
20	(1) by redesignating clauses (ii) through (iv) as
21	clauses (iii) through (v), respectively; and
22	(2) by inserting the following new clause (ii) after
22	(2) by inserting the following new clause (ii) after clause (i):

- Section 6(j) of the Export Administration Act of 1979 (50 1 2 U.S.C. App 2405(j)) is amended to read as follows: 3 ``(j)(l) A validated license shall be required for the export of goods or technology to a country if the Secretary 4 5 of State has made the following determinations: ``(A) The government of such country grants sanctuary 6 from prosecution to any individual or group which has 7 committed an act of international terrorism, or the 8 government of such country has repeatedly provided 9 10 support for acts of international terrorism. ``(B) The export of such goods or technology would 11 12 contribute to the military potential of such country, 13 would be destined to a military end-user or for military 14 end-use in such country, or would enhance the ability of such country to support acts of international terrorism. 15 ``(2) Applications for any validated license required 16 under paragraph (1) shall be generally denied by the 17 18 Secretary. (3) The Secretary and the Secretary of State shall 19 20 notify the Committee on Foreign Affairs of the House of 21 Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the 22 Senate at least 30 days before issuing any validated license 23 24 required by paragraph (1).
- 25 ``(4) Each determination of the Secretary of State under

- 1 paragraph (1)(A), including each determination in effect on
- 2 the date of the enactment of the Antiterrorism and Arms
- 3 Export Amendments Act of 1987, shall be published in the
- 4 Federal Register.
- 5 ``(5) A determination made by the Secretary of State
- 6 under paragraph (1)(A) may not be rescinded unless the
- 7 President, at least 90 days before the proposed rescission
- 8 would take effect, submits to the Speaker of the House of
- 9 Representatives and the chairman of the Committee on Banking,
- 10 Housing, and Urban Affairs and the chairman of the Committee
- 11 on Foreign Relations of the Senate a report justifying the
- 12 rescission and certifying that--
- (A) the government concerned has not provided any
- support for international terrorism, including support or
- sanctuary for any major terrorist or terrorist group,
- during the preceding 6-month period; and
- 17 (B) the government concerned has provided
- assurances that it will not support acts of international
- terrorism in the future. ...
- 20 SEC. 5. PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING
- 21 INTERNATIONAL TERRORISM.
- 22 Section 620A of the Foreign Assistance Act of 1961 (22
- 23 U.S.C. 2371) is amended to read as follows:
- 24 SEC. 620A. PROHIBITION ON ASSISTANCE TO GOVERNMENTS
- 25 SUPPORTING INTERNATIONAL TERRORISM.

1	(a) FRUHIBITION The United States shall not provide
2	any assistance under this Act, the Agricultural Trade
3	Development and Assistance Act of 1954, the Peace Corps Act,
4	or the Export-Import Bank Act to any country whose government
5	the Secretary of State determines
6	``(1) grants sanctuary from prosecution to any
7	individual or group which has committed an act of
8	international terrorism; or
9	``(2) has repeatedly provided support for acts of
10	international terrorism.
11	``(b) PUBLICATION OF DETERMINATIONSEach determination
12	of the Secretary of State under subsection (a), including
13	each determination in effect on the date of the enactment of
14	the Antiterrorism and Arms Export Amendments Act of 1987,
15	shall be published in the Federal Register.
16	``(c) RESCISSIONA determination made by the Secretary
17	of State under subsection (a) may not be rescinded unless the
18	President, at least 90 days before the proposed rescission
19	would take effect, submits to the Speaker of the House of
20	Representatives and the chairman of the Committee on Foreign
21	Relations of the Senate a report justifying the rescission
22	and certifying that
23	``(1) the government concerned has not provided any
24	support for international terrorism, including support or
25	sanctuary for any major terrorist or terrorist group,

1	during the preceding 6-month period; and
2	``(2) the government concerned has provided
3	assurances that it will not support acts of international
4	terrorism in the future.
5	``(d) WAIVERAssistance prohibited by subsection (a)
6	may be provided to a country described in that subsection
7	if
8	``(1) the President determines that national security
9	interests or humanitarian reasons justify a waiver of
10	subsection (a), except that humanitarian reasons may not
11	be used to justify assistance under part II of this Act
12	(including chapter 4, chapter 6, and chapter 8), or the
13	Export-Import Bank Act; and
14	``(2) at least 15 days before the waiver takes
15	effect, the President consults with the Committee on
16	Foreign Affairs of the House of Representatives and the
17	Committee on Foreign Relations of the Senate regarding
18	the proposed waiver and submits a report to the Speaker
19	of the House of Representatives and the chairman of the
20	Committee on Foreign Relations of the Senate containing
21	``(A) the name of the recipient country;
22	``(B) a description of the national security
23	interests or humanitarian reasons which require the
24	waiver;
25	``(C) the type and amount of and the
25	``(C) the type and amount of and the

1	justification for the assistance to be provided
2	pursuant to the waiver; and
3	``(D) the period of time during which such waiver
4	will be effective.
5	The waiver authority granted in this subsection may not be
6	used to provide any assistance under the Foreign Assistance
7	Act of 1961 which is also prohibited by section 40 of the
8	Arms Export Control Act
9	SEC. 6. NOTICE TO CONGRESS OF THIRD COUNTRY TRANSFERS.
10	(a) ITEMS SOLD UNDER FMS PROGRAM The last sentence of
11	section 3(a) of the Arms Export Control Act (22 U.S.C.
12	2753(a)) is amended to read as follows: `In those instances
13	where a certification from the President is not required
14	pursuant to subsection (d), the President shall, before
15	granting any consent under paragraph (2) of this subsection,
16	submit a report with respect to such consent to the Speaker
17	of the House of Representatives and to the chairman of the
18	Committee on Foreign Relations of the Senate (such report to
19	be submitted at least 15 days before the effective date of
20	the consent unless the President certifies in his report that
21	an emergency exists which requires that consent become
22	effective immediately in the national security interests of
23	the United States) and shall notify the Congress in writing
24	of any developments which alter or supplement the information
25	provided in such report

1	(b) ITEMS EXPORTED PURSUANT TO A MUNITIONS
2	LICENSE Section 38 of that Act (22 U.S.C. 2778) is amended
3	by adding at the end the following:
4	`(g) In those instances where a report from the
5	President is not required pursuant to section 3(d)(3), the
6	President
7	``(1) before granting any consent to a transfer of
8	any defense article or defense service, the export of
9	which has been licensed or approved under this section,
10	shall submit a report with respect to such consent to the
11	Speaker of the House of Representatives and to the
12	chairman of the Committee on Foreign Relations of the
13	Senate (such report to be submitted at least 15 days
14	before the effective date of the consent unless the
15	President certifies in his report that an emergency
16	exists which requires that consent become effective
17	immediately in the national security interests of the
18	United States); and
19	`(2) shall notify the Congress in writing of any
20	developments which alter or supplement the information
21	provided in such report. '.
22	(c) ITEMS PROVIDED UNDER MAP PROGRAM Section 505 of
23	the Foreign Assistance Act of 1961 (22 U.S.C. 2314) is
24	amended by adding at the end the following:
25	``(h) The President shall, before granting any

1	consent under subsection (a)(1)(B), submit a report with
2	respect to such consent to the Speaker of the House of
3	Representatives and to the chairman of the Committee on
4	Foreign Relations of the Senate and shall notify the
5	Congress in writing of any developments which alter or
6	supplement the information provided in such report. The
7	report required by this subsection shall be submitted at
8	least 15 days before the effective date of the consent
9	unless the President certifies in his report that an
10	emergency exists which requires that consent become
11	effective immediately in the national security interests
12	of the United States. '.
13	SEC. 7. DOD TRANSFERS TO OTHER AGENCIES.
14	(a) QUARTERLY REPORTS Section 36 (a) of the Arms Export
15	Control Act (22 U.S.C. 2776(a)) is amended
16	(1) by striking out ``and´´ at the end of paragraph
17	(9);
18	(2) by striking out the period at the end of
19	paragraph (10) and inserting in lieu thereof `; and';
20	and
21	(3) by inserting after paragraph (9) the following:
22	``(10) a listing of all defense articles or defense
23	services which were sold, leased, or otherwise
24	transferred by the Department of Defense to any other
25	Government department, agency, or other entity during the

1	quarter for which such report is submitted (including the
2	name of the recipient Government entity and a discussion
3	of what that entity will do with those defense articles
4	or defense services) if
5	``(A) the value of the defense articles or
6	defense services was \$250,000 or more; or
7	`(B) the value of all defense articles and
8	defense services transferred to that Government
9	department, agency, or other entity during that
10	quarter was \$250,000 or more;
11	excluding defense articles and defense services
12	transferred for disposition or use solely within the
13	United States.'.
14	(b) CLASSIFICATION OF REPORTS That section is amended
15	in the parenthetical clause in the text preceding paragraph
16	(1) by inserting ``, and any information provided under
17	paragraph (10) of this subsection may also be provided in a
18	classified addendum' after `(b)(1) of this section'.
19	SEC. 8. NOTICE TO CONGRESS OF CERTAIN ARMS TRANSFERS.
20	Section 36 of the Arms Export Control Act (22 U.S.C.
21	2776) is amended by adding at the end the following:
22	``(e) The United States Government may not, under the
23	authority of this or any other Act, transfer or assist in the
24	transfer of any munitions item (as defined in section 40(j))
25	directly or indirectly to any foreign government, any foreign

- 1 group or person, or any other person outside the United
- 2 States Government pursuant to a Presidential finding under
- 3 section 662 of the Foreign Assistance Act of 1961 unless the
- 4 President notifies the chairman and ranking minority member
- 5 of the Committee on Foreign Affairs of the House of
- 6 Representatives and the chairman and ranking minority member
- 7 of the Committee on Foreign Relations of the Senate of such
- 8 transfer. Such notification shall be provided--
- 9 (1) before the United States Government transfers,
- or begins to assist in the transfer of, the munitions
- ll item, or
- 12 `(2) in extraordinary circumstances affecting the
- vital interests of the United States where time is of the
- essence, not more than 48 hours after the United States
- Government transfers, or begins to assist in the transfer
- of, the munitions item. '.
- 17 SEC. 9. SPECIAL AUTHORITIES.
- 18 The second sentence of section 614(c) of the Foreign
- 19 Assistance Act of 1961 (22 U.S.C. 2364(c)) is amended to read
- 20 as follows: `The President shall fully inform the chairman
- 21 and ranking minority member of the Committee on Foreign
- 22 Affairs of the House of Representatives and the chairman and
- 23 ranking minority member of the Committee on Foreign Relations
- 24 of the Senate of each use of funds under this subsection
- 25 prior to the use of such funds. ...

- 1 SEC. 10. HOSTAGE ACT.
- Section 2001 of the Revised Statutes of the United States
- 3 (22 U.S.C. 1732) is amended by inserting `and not otherwise
- 4 prohibited by law after `acts of war'.

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100th Congress 1st Session

H. R. \_\_\_\_

# IN THE HOUSE OF REPRESENTATIVES

Mr. MILLER of California introduced the following bill; which was referred to the Committee on \_\_\_\_\_

#### A BILL

- To amend the Arms Export Control Act to impose certain requirements with respect to the issuance of export licenses for commercial arms sales.
  - Be it enacted by the Senate and House of Representatives
  - 2 of the United States of America in Congress assembled,

- 1 SECTION 1. SHORT TITLE.
- This Act may be cited as the `Arms Export Control
- 3 Amendments Act of 1987'.
- 4 SEC. 2. PROCEDURES AND RESTRICTIONS.
- 5 (a) PROCEDURES. -- Section 38(b) of the Arms Export Control
- 6 Act (22 U.S.C. 2778(b)) is amended by adding at the end the
- 7 following:
- 8 (3) In exercising the authorities conferred by this
- 9 section, the President shall ensure that a standard operating
- 10 manual is developed and maintained which sets forth the
- 11 procedures that shall be followed by officers and employees
- 12 of the Government with respect to the issuance of licenses
- 13 under this section. Such procedures shall include the
- 14 following:
- (A) Background checks on all applicants for an
- export license, before the license is approved.
- 17 (B) End-use checks on all applications for an
- export license, before the license is approved.
- (C) Verification of delivery of the exported items
- to the person and place indicated on the license
- 21 application.
- 22 In addition, the President shall ensure that an updated list
- 23 of all persons ineligible to be issued export licenses under
- 24 this section is maintained. Any person applying for an export
- 25 license under this section shall be required to report with

- 1 the application all commissions and fees being charged,
- 2 directly or indirectly, by any person in connection with the
- 3 export transaction, including any intermediary. '.
- 4 (b) PERSONS INELIGIBLE FOR LICENSES. -- Section 38 of the
- 5 Arms Export Control Act is amended by inserting after
- 6 subsection (c) the following:
- 7 (d)(1) Any person who is convicted of a violation of
- 8 this section, section 39, or any criminal offense under any
- 9 Federal, State, or local law, or under the laws of any other
- 10 country, which involves--
- 11 (A) the use of a gun or other weapon,
- 12 (B) an act of terrorism or torture,
- (C) the shipment or transfer of weapons, or
- `(D) physical injury to or death of any individual,
- 15 may not be issued a license under this section and may not be
- 16 approved for participation in any export transaction with
- 17 respect to which a license is issued under this section, and
- 18 any license issued under this section which is held by such a
- 19 person shall be revoked.
- 20 (2) Any person who is convicted of a violation of any
- 21 criminal offense under any Federal, State, or local law, or
- 22 under the laws of any other country, other than a criminal
- 23 offense described in paragraph (1), may be denied a license
- 24 under this section or denied approval for participation in
- 25 any export transaction with respect to which a license is

# MILLCA447

1	issued under this section, and any license issued under this
2	section which is held by such a person may be revoked.
3	`(3) Any person who
4	`(A) is a member of or supports the criminal
5	activities of any terrorist organization, or
6	``(B) is engaged in, has an interest in, or is an
7	enterprise that derives significant income from a pattern
8	of racketeering activity,
9	may not be issued a license under this section and may not be
10	approved for participation in any export transaction with
11	respect to which a license is issued under this section, and
12	any license issued under this section which is held by such a
13	person shall be revoked. As used in subparagraph (B), the
14	terms `enterprise' and `racketeering activity' have the
15	meanings given those terms in section 1961 of title 18,
16	United States Code. '.